

FINAL STATEMENT OF BASIS ADDENDA

EPA Area Permit No. UT2736-00000

Petroglyph Operating Company, Inc.

**Antelope Creek Waterflood
Antelope Creek Field
Duchesne County, Utah**

Pursuant to Part III, Section B. 1. of the above-referenced Underground Injection Control (UIC) permit, Addenda to the Statement of Basis relative to the subject Area Permit Major Modifications are hereby established. The purpose of these addenda to the Statement of Basis is to address the changes incorporated in the **expanded Antelope Creek Waterflood**.

It is understood that the additional to-be-converted injection wells addressed in these Major Permit Modifications are subject to all requirements for newly constructed injection wells in the original Area Permit. Further, the specific details addressed in the "original" Statement Of Basis are likewise applicable to the additional wells being permitted under these Major Modifications.

The discussion of the Major Permit Modifications of the original versions of Title Change and Expanded Unit Area of PART I, of PART II, Sections A.1.(a); B; and C.1; and of corrections of nomenclature in PART II. Section D. and PART III. Sections A, and B are as follows:

MODIFICATION #1 [Title of PART I]: AUTHORIZATION TO CONVERT/OR CONSTRUCT AND OPERATE (not Inject)

Injection activities shall not commence until the operator has fulfilled all applicable conditions of this permit and has received **separate written authorization from the Director**.

PART I. MODIFICATION #2 [Expanded Area]:

The expanded **Antelope Creek Waterflood** area (as modified) includes the conversion of initially **four (4)** existing oil production wells to Class II enhanced oil recovery injection wells located within the proposed Antelope Creek Waterflood, Duchesne County, Utah. Each of these proposed wells are located within the **expanded permitted area** which is defined as follows:

Township 4 South, Range 3 West, Duchesne County, Utah

Section 20: NENE, SENE, NESE,
 Section 21: All, Section 22: All, Section 25: E/2, NW,
 S/2SW, NW/SW, Section 26: All, Section 27: All,
 Section 28: All, Section 29: SENE, E/2SE, SWSE, SESW,
 Section 31: W/2, NWNE, S/2SE, NESE, Section 32: E/2, SW,
 S/2NW, NENW, Section 33: All, Section 34: All,
 Section 35: All, Section 36: All

Township 4 South, Range 4 West, Duchesne County, Utah

Section 25: S/2, Section 36: All

Township 5 South, Range 4 West, Duchesne County, Utah

Section 1: All, Section 12: All, Section 36: All.

MODIFICATION #3 [PART I] - (Original Permit version):

Injection will be for the purpose of enhanced recovery of oil so that Petroglyph Operating Company, Inc. (Petroglyph) may economically produce oil from the Antelope Creek Field, in accordance with conditions set forth herein, and initially utilizing the following currently existing production wells:

<u>NAME</u>	<u>LOCATION</u>	<u>EPA PERMIT NO.</u>
Ute Tribal #33-14D3	SE/SW Section 33	UT2736-04420
Ute Tribal #33-10D3	NW/SE Section 33	UT2736-04421
Ute Tribal #33-08D3	SE/NE Section 33	UT2736-04422
Ute Tribal #33-16D3	SE/SE Section 33	UT2736-04423

are located within the total, newly defined permitted area:

Township 4 South, Range 3 West, Duchesne County, Utah

Section 20: NENE, SENE, NESE,
 Section 21: All Section 22: All, Section 25: E/2, NW,
 S/2SW, NWSW, Section 26: All, Section 27: All,
 Section 28: All, Section 29: SENE, E/2SE, SWSE, SESW,
 Section 31: W/2, NWNE, S/2SE, NESE, Section 32: E/2, SW,
 S/2NW, NENW, Section 33: All, Section 34: All,
 Section 35: All, Section 36: All

Township 4 South, Range 4 West, Duchesne County, Utah

Section 25: S/2,

Township 5 South, Range 3 West, Duchesne County, Utah

Sections 2, 3, 4, 5, Section 6: SE/4SE/4, Sections: 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, and 33: All,

Township 5 South, Range 4 West, Duchesne County, Utah

Section 1: All, Section 12: All, Section 36: All.

MODIFICATION #4 [New Well Corrective Action Requirements]:

The additional thirty (30) wells; of which three (3) are T/A'd, nine (9) are P/A'd, fourteen (14) are producing oil wells, one (1) shut-in, one (1) water injection well, one (1) waiting on completion, and one (1) WDC well within the expanded Area Of Review (AOR) have been reviewed and were determined to have been satisfactorily constructed or plugged and abandoned to provide for protection of potential Underground Sources of Drinking Water (USDWs). Therefore, the operator is not required to take any corrective action on any of the additional thirty (30) wells within the expanded 1/4-mile area of review (AOR) covered by this Modified Area Permit.

MODIFICATION #5 [Prior to Commencing Injection (Initial Wells)]

MODIFICATIONS #6 & #7 [Correction of Nomenclature in the Permit Parts II. D. and III. A. & B.]:

There were several instances in the "original Area Permit in which injection activity was referred to and discussed as "underground disposal" and/or "disposal activity". These modifications are being made to correctly identify the injection activity as being for the purpose of enhanced recovery of oil.